



# The President's Daily Brief

14 November 1973

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*FOR THE PRESIDENT ONLY*

THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

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The Communists have strengthened their logistical network in southern Laos and northern South Vietnam and appear ready to start their dry-season resupply effort through Laos. (Page 3)

It is as yet unclear whether or not the Communists will mount a major offensive in South Vietnam; in any case, if the new South Vietnamese commander for Military Region 3 moves as forcefully as he is now suggesting, he is likely to stimulate an equally forceful Communist response. (Page 4)

Representatives of some 20 American states begin discussions today in Bogota to coordinate their policies before talks on US-Latin American relations are held with Secretary Kissinger. (Page 5)

The yen declined another 2 percent against the dollar yesterday. (Page 6)

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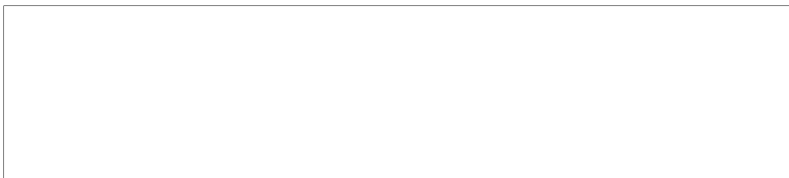
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## ARAB STATES - ISRAEL

Tel Aviv has agreed to the reestablishment of a UN checkpoint at Kilometer 119 at the eastern end of the Cairo-Suez road. The Israeli decision reversed a tough posture adopted earlier yesterday when Defense Minister Dayan told General Siilasvuo, United Nations Emergency Force commander, that Tel Aviv would not accept a UN checkpoint at Kilometer 119 since it could block supply of Israeli forces. According to the US Mission at the UN, General Siilasvuo expects the UN contingent to take a position east of the Israeli checkpoint this morning.

The UN checkpoint at Kilometer 101--at the western edge of the Israeli line along the Cairo-Suez road--was reported in operation yesterday. An Israeli post was nearby, and Israeli soldiers were clearly in control of the highway. Egyptian and Israeli representatives are scheduled to continue their discussions today about implementation of the six-point cease-fire agreement.

Minor cease-fire violations on both sides of the Suez Canal were generally limited to small arms fire. On the northern end of the Syrian cease-fire line, sporadic shelling continued for about three hours.



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In her address to the Knesset yesterday, Prime Minister Meir declared that the so-called cease-fire lines of October 22 are nonexistent. She said no one can determine the positions of the opposing forces, since Israel was engaged that day in a running battle with the Egyptians, and no UN observers were in the area. Mrs. Meir stated that the effectiveness of the six-point agreement signed by Egypt and Israel depends on reciprocal observance of all its provisions, and noted that Tel Aviv has been "apprehensive from the beginning." She emphasized that without the return of Israeli prisoners, there can be no cease-fire, and the flow of food to Suez City and the Egyptian Third Army will stop. She

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stated, however, that Israel has no intention of holding the territory it occupies on the west bank of the Suez Canal and that she has already proposed a mutual pullback of both Egyptian and Israeli forces to opposite sides of the Canal.



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Contrary to earlier reports, Yasir Arafat and other fedayeen leaders did not arrive in Moscow on November 12 but may have arrived yesterday. It is now uncertain whether George Habbash, head of the radical Popular Front for the Liberation of Palestine, will participate in the Moscow talks.

The Soviet Mediterranean Squadron now comprises 84 units: 28 surface warships, 22 submarines, and 34 support ships. The bulk of the Mediterranean Squadron is at anchorage or in port at Kithera, Sollum, or Alexandria.

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INDOCHINA

The Communists have strengthened their logistical network in southern Laos and northern South Vietnam and appear ready to start their dry-season re-supply effort through Laos.

Since early September, Hanoi has infiltrated nearly 23,000 troops into southern Laos and contiguous areas of South Vietnam. This is the largest number of infiltrators to go to this region for several years. Many of these troops have been assigned to logistical units along the road networks, and others have been used to strengthen North Vietnamese combat units in Laos. The Communists have been improving and expanding their road network through this region, and the reinforcements should enable them to accelerate this activity.

North Vietnamese logistical units in southern Laos now are preparing for a resumption of supply shipments, which had been sharply reduced in recent months because of heavy rains. Units have been directed to have roads ready for use by November 15. A recent intercept disclosed that some 1,400 trucks--the greatest number through this area since last spring--would be moving south through the central Laos panhandle between November 12 and 30. Logistical units north of the Demilitarized Zone have received orders to mount a "large transportation effort."

The Communists have already built up large stockpiles of military equipment and munitions in South Vietnam and adjacent areas. Some shortages of foodstuffs, especially rice, exist in parts of South Vietnam, and the Communists will be using the next few weeks to alleviate these deficiencies and to augment their ordnance stocks.

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SOUTH VIETNAM

General Thuan, the new South Vietnamese commander for Military Region 3, which includes Saigon, told President Thieu last week that he expects the Communists to launch a major offensive against the capital after the rice harvest but before the end of the year. He intends to make an effort to seize the initiative from the Communists.

[redacted] Thuan informed his subordinates that he had ordered:

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--refitting and strengthening of all government main and territorial forces in the region;

--surprise ground attacks against Communist positions;

--maximum use of air and artillery strikes, especially against Communist rear-service areas;

--an increase in the number of fighter aircraft on strip alert and observation aircraft over enemy-held areas;

--removal of all restrictions on bombing and shelling Communist-held areas;

--construction of tank barricades in high-threat areas and a general improvement in armored tactics.

There are no reliable indications that the Communists are readying a major attack against Saigon itself, but heavier attacks in the regions surrounding the city are anticipated. There has been increased fighting in the region during the past few weeks, precipitated by the "rice war" over the current harvest and by the efforts of each side to improve its tactical position. This kind of action is likely to continue and may become fairly extensive. It is as yet unclear whether or not the Communists will mount a major offensive. In any case, if Thuan moves as forcefully as he is suggesting, he is likely to stimulate an equally forceful Communist response.

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WESTERN HEMISPHERE

Representatives of more than 20 American states begin discussions in Bogota today to coordinate their policies before talks on US-Latin American relations are held with Secretary Kissinger. Some Latin American leaders hope the current meeting will lead to the development of a consultative mechanism outside the OAS and without US participation. A few of the representatives may also plan to promote positions critical of the US.

Prospects for developing common positions on contentious issues are not good. The organizers of the conference intend to avoid serious controversy, and they probably have enough support to pass general resolutions designed to open a constructive dialogue with the US. A number of governments, however, have reservations about the timing and goals of the conference. At least six countries, including Argentina and Brazil, are represented by lower ranking officials.



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NOTE

Japan: The yen was allowed to decline another 2 percent against the dollar yesterday, dropping to 5 percent below its level at the end of October. The present exchange rate is 280 yen to the dollar, but contracts for future delivery of dollars specify a rate of 293 yen. The prospect of large balance-of-payments deficits both this year and in 1974, combined with the expectation of serious economic problems stemming from oil shortages, underlie the weakness of the yen.

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